Industrial Distribution

A CAHNERS PUBLICATION

April 1987

C185C -4
4/15/87

Hotl
Industrial R&D seen stimulating distributor sales

20814 057y C140450 70/01 ES
1 PK S TB014045 ES
JEANNE LONG, SHI AQUIS
CONGRESSIONAL INFORMATIO
EDITOR 4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

...eneral line distributor
...d in midwe

...'s eyeing flood
...ech innovations

The Evenin

Automation, productivity forcing major changes in distributors'

New York—After s
watching their market
in some instances, a
there is a new spirit
mism among U.S. in
turers that, perhaps,

Many observers,
that the highly visibl
cized difficulties en
basic industries as st
ture have obscured
substantial segment
facturing has quiet
fo

MUST YOU SPECIALIZE?

CHRONICL

JIT, systems contracts spur one-stop shopping

WASHING
Reagan si
last Octob
form than a
new tax bi

ID Industrial Distribution

VOL. 76, NO. 4/76th yr. | A CAHNERS PUBLICATION | APRIL 1987

4
INDUSTRY NEWS
Black & Decker to send sales specialists into industrial and construction markets; Harnischfeger buys Syscon Corp. to expand high-tech capabilities; Valin Corp. buys Metropolitan Supply, extends its reach; Fairfield Mfg. sold to NEOAX for $70.5 million; U.S. fastener demand is up but imports slow domestic sales increases; Miami systems merges with Sentinel

46
HOTLINE
Industrial R&D seen stimulating distributor sales

48
SIDA CONVENES ITS 85th CONVENTION

52
STRICTLY FOR SALESMEN
Break the body language barrier

54
COMPUTER/ TELECOMMUNICATIONS UPDATE

60
NAW ANNUAL MEETING...
Challenging the forces of change

Postmaster: Send address changes to Industrial Distribution, Circulation Dept., P.O. Box 1063, Barrington, IL 60010

Microfilm or reproductions of issues or articles are available. Write Xerox University Microfilms, Ann Arbor, MI 48106.

33 COVER STORY
MUST YOU SPECIALIZE?

68
MARKETING/ OPERATIONS IDEAS
Medium load robots, new market for distributors; Employment laws reference guide; How to learn PCs the easy way; Cooper issuing special savings checks

65
FOCUS ON SERVICES
Business forms

COMING IN ID . . .

MAY: Preview:- Triple Industrial Supply Convention

JUNE: The Master Merchandisers

JULY: 41st Annual Survey of Distributor Operations

14 MEETINGS
21 WASHINGTON REPORT
24 READERS WRITE
26 BUSINESS REPORT
28 LIKE IT OR NOT
29 READER SERVICE CARD
55 READER SERVICE CARD
67 WE WERE THERE
72 NEW PRODUCTS
76 IN PRINT
77 CLASSIFIED ADVERTISING
78 APPOINTMENTS
79 ADVERTISERS INDEX
80 TALK OF THE TRADE

INDUSTRY NEWS...

on the cyclical manufacturing business. Syscon had revenues of $117 million with a net income of $4.4 million for 1985, and its 1986 sales were $135 million with a net income of $5.4 million.□

Valin Corp. buys Metropolitan Supply—extends its reach

SUNNYVALE, CA—Valin Corp. has acquired the Metropolitan Supply Co. of Carson, CA, creating one of the largest fluid power and instrumentation distributors on the west coast.

The agreement included the outright purchase of 100% of Metropolitan's stock. The specific terms of the agreement were not made available.

With Valin's purchase of Metropolitan, Alan B. Vidinsky will continue as the merged company's president, and Dan W. Ruple, former owner and president of Metropolitan, will stay on as vice chairman.

A done deal: Dan W. Ruple *(l)*, Andrew K. Lorenz and Alan B. Vidinsky *(r)*, sign the agreement merging Valin and Metropolitan.

Vidinsky said that by combining both company's strengths, Valin's sales should be in excess of $20 million this year. In addition, the deal gives Valin, a company that has traditionally sold products in northern California and western Nevada, a presence in southern California and Arizona markets.

Valin has been strong in the process instrumentation and fluid components field, while Metropolitan has been a leader in the distribution of Parker Hannifin hydraulics, pneumatics and fluid power products.

The company also announced the appointment of two new sales managers, Scott Mobley, who will serve in the process instrumentation and fluid components division, and Ronald Praz, for the hydraulics, pneumatics and fluid power division.

With operating locations in Concord and Sacramento, Valin was founded in 1974 by Vidinsky and Andrew K. Lorenz, the company's current vice president. In contrast, Metropolitan is one of the oldest industrial firms in the west, having begun operations in Los Angeles in 1916.

Valin has purchased all of Metropolitan's divisions, including Southern California Instrumentation, Southern California Pneumatics, Southwest Fluid Components and Metro Supply. The combined companies now cover all of California, Nevada and Arizona from 10 locations with more than 100 employees.

No layoffs have been planned as a result of the merger.□

Fairfield Mfg. sold to NEOAX for $70.5 million

NEW YORK, NY—Banner Industries and its recently acquired subsidiary, Rexnord Inc., have agreed to sell Rexnord's Fairfield Manufacturing Co. to the NEOAX company for $70.5 million in cash. Industry sources speculate that the sale of this division will be used by Banner to help repay the estimated $260 million debt it incurred to finance its acquisition.

The announcement was made jointly by Rexnord's chairman and CEO Donald Taylor and Jeffrey Steiner, chairman and CEO of Banner Industries, Inc. Banner had acquired 97% of Rexnord in a tender offer that expired on February 27. Before a tender offer for Rexnord had been made, the company had intended to reorganize its businesses, and ultimately divest itself of five divisions. To date, two have been sold,

[*continued on page 12*]

Indicators...

The *NIDA/SIDA Industrial Distribution Index* for the month of January was up 10.9 points to 139.0, from a previous level of 128.1 in December of last year. In all four of the reporting geographic areas, activity had increased substantially. The East was up 9.8 points to 134.9; Midwest up 8.8 to 119.2; West up 5.0 to 148.2; and the South was up 25.5 points to 177.1. Although the South's performance demonstrated a significant gain, it was only 1.5 points ahead of its January 1986 level of 165.6. Similarly, the gain of January's performance level (139.0) over December's, is tempered by the fact that in January of 1986 the index stood 149.6... The *NIDA/SIDA Industrial Supply Inflation Index* (1977 = 100) stood at 165.7 for January, up only 1.4% over last year's standing of 163.4. In December, the index was 165.6, a percent increase of only 0.1%...*SIDA's Monthly Sales Trend Report* for December showed signs of a healthy rebound, although some of the improved performance can be attributed to increased business activity before the 1986 Tax Reform Act officially took affect. For December to November comparisons, the index was up 12.19, however, in year to year comparisons, its overall increase was only .15. Of the 66 locations reporting sales performance, 52 noted increased sales from December 1986 over December 1985, and even 8 of the South's 11 locations noted improved activity. In this area the index climbed 30.70 points in month to month comparisons, but was down 2.47 points in December 1986 to December 1985 activity....The *National Machine Tool Builders' Assn.* reported that January net new orders for machine tools stood at $147.75 million, an 8.2% rise from the December 1986 level of $136.55 million.

BUSINESS REPORT

Concentration on marketing

With 1987 appearing more and more as a "not so good" year, distributors are pressed to give greater attention to the marketing aspect of their business, and the focus has turned to eking out every ounce of business possible from their customers and prospects.

Two distributors, one on each coast, have employed similar tactics. Both general liners, they have conceived a plan to highlight at least one group of products per month so that there is something going on to crow to their customers about every single month of the year. Each month, they use a mailing, culling from their master list those prospects whose end products coincide with their "specials."

A New England distributor specialist is using another idea. Having taken measure of all of his customers and prospects in a given radius around his headquarters, he pledges, like Domino Pizzerias, two hour delivery or you, the customer, get a discount.

Innovative marketing ideas, such as the above, require a little more time and effort in generating fresh and lively literature, and one way to go is desktop publishing equipment using special software to generate attractive text and graphics. These will probably be hot items on many distributor checklists the remainder of the year.

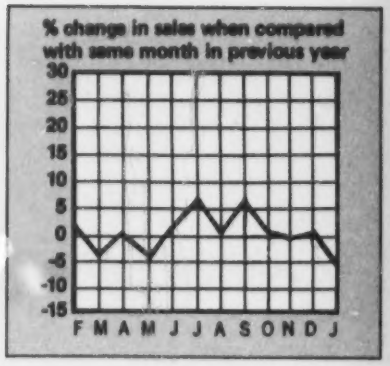
January's national sales statistics, when compared with January of 1986, show a drop of 6% (see graph). Only the East South Central, West North Central, and Pacific regions reported gains.

Month-to-month statistics were also down, with few gains reported. The largest gain was in Upstate New York, up 16%; the sharpest drop, West South Central, down 13%.

The cumulative figures are identical with January yearly comparisons, the only month of the year this occurs.

Receivables show identical comparisons with last year, although these figures have slipped from the past few months, having moved from the high 30s to the 40 and 41 day marks, for general liners and specialists, respectively.

—Milt Ellenbogen



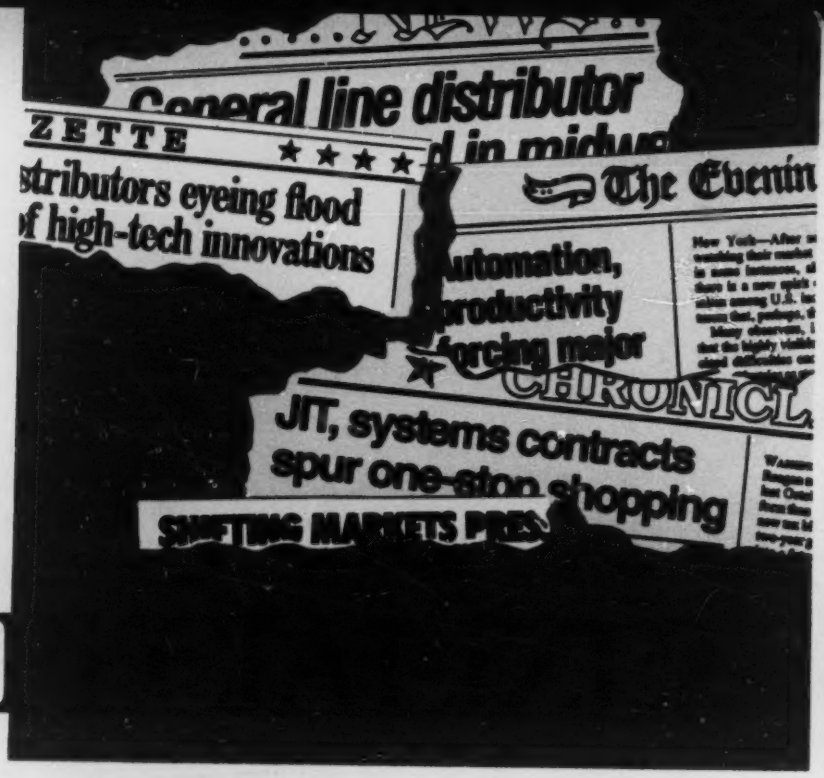
RECEIVABLES*

	Jan. '87 Gen.	Jan. '87 Spec	Jan. '86 Gen.	Jan. '86 Spec.
New England	45	40	45	40
Middle Atlantic	44	44	45	43
South Atlantic	37	38	35	38
East No. Central	39	40	39	41
East So. Central	41	40	41	38
West No. Central	40	39	40	39
West So. Central	38	39	37	39
Mountain	33	41	37	42
Pacific	43	44	44	43
National	40	41	40	41

* Average days outstanding

SALES BY REGIONS (% change)	Jan '87 vs. Dec.'86 Gen.	Spec.	Both	Jan '87 vs. Jan '86 Gen.	Spec.	Both	1st month '87 vs. 1st month '86 Gen.	Spec.	Both
NEW ENGLAND: CT, RI, MA, NH, VT, ME	−11	+8	−1	−13	+3	−3	−13	+3	−3
Connecticut	—	—	—	—	—	—	—	—	—
Massachusetts	−13	—	—	−9	—	—	−9	—	—
MIDDLE ATLANTIC: NY, NJ, PA	0	−4	−3	−20	−10	−12	−20	−10	−12
New York Metropolitan Area	—	−10	—	—	−6	—	—	−6	—
Upstate New York	+8	+23	+16	−30	−4	−17	−30	−4	−17
Pennsylvania	−10	−4	−6	−10	−22	−18	−10	−22	−16
SOUTH ATLANTIC: DE, DC, MD, FL, GA, NC, SC, VA, WV	−12	−9	−11	−13	−3	−9	−13	−3	−9
Georgia-Florida	0	—	—	−4	—	—	−4	—	—
EAST NORTH-CENTRAL: OH, IN, IL, MI, WI	+9	+6	+8	−9	−5	−7	−9	−5	−7
Indiana	—	—	—	—	—	—	—	—	—
Wisconsin	−13	+19	+16	−22	+8	−5	−22	+8	−5
Chicago	—	—	—	—	—	—	—	—	—
Michigan	—	—	—	—	—	—	—	—	—
Ohio	+16	−9	+3	−16	−2	−10	−16	−2	−10
EAST SOUTH CENTRAL: AL, MS, KY, TN	−17	−15	−17	+19	+1	+12	+19	+1	+12
WEST NORTH CENTRAL: MN, ND, SD, IA, NE, KS, MO	−1	−15	−4	+6	−2	+4	+6	−2	+4
WEST SOUTH CENTRAL: AK, LA, OK, TX	−5	−17	−13	−5	−23	−17	−5	−23	−17
Texas	—	−14	—	—	−5	—	—	−5	—
MOUNTAIN: NM, AZ, CO, UT, NV, WY, MT, ID	−1	+30	+1	+19	−24	−2	+19	−24	−2
PACIFIC: CA, OR, WA	0	−7	−4	+5	+4	+4	+5	+4	+4
L.A.-San Diego	—	—	—	—	—	—	—	—	—
Oregon-Washington	—	−6	—	—	+6	—	—	+6	—
U.S. TOTALS	−4	−2	−3	−5	−6	−6	−5	−6	−6

MUST YOU S



General line distributors have seen slow industrial growth of the past few years impair their profitability. Trimming excess inventory and focusing on specialized products totally or in part, may be one of the few ways to regain status and lost market share.

The most glaring statistic revealed in ***ID's*** 40th Annual Survey of Distributor Operations (***ID***: July, 1986), is that specialists, in such areas as gross profit, net profit before and after taxes, and return on investment, fared significantly better than general line distributors.

A look into the reasons behind these statistics show that rather than a fluke or momentary aberration, a trend is taking place that is likely to continue and might even accelerate, not necessarily to the disadvantage of the general line distributor (see box) since he has a flexibility that can put him face to face with the local specialized distributor. In effect, he can combine a rounded stock with a specialized stock and benefit from being both a one-stop and a specialized customer resource. The specialist who reverses the process by adding a rounded stock to his limited special inventory is faced with a high investment in inventory and tough challenges in the marketplace.

General line distributors enjoy and will continue to enjoy some distinct advantages over specialists, for example in systems selling where they can meet a wide variety of customer demands and provide price benefits and delivery conveniences customers cannot find anywhere else. The risk of a general line distributor going over to the specialist side of the business is precarious in terms of initial investment, promotion and the required development, of cultivating the right market The question, *Must you specialize?* might be asked in another way: *If you don't specialize, what must you do to improve the condition of your business?*

Milt Ellenbogen
Managing editor
and **Doug Harper**
Senior editor

Selective selling

The problem with low inflation and slow growth, is that pressure on prices tend to keep increases low or non-existent. This, coupled with lower-priced,

[*continued on page 34*]

If you must specialize, think...

Must you specialize?

competitive products has hurt the profitability of many distributors and kept industry sales growth at 5% or less through 1986.

For the many general line houses that already carry specialty lines, it is not too difficult to refine their operations by periodically cutting lines that are slow movers and concentrating more on their profitmakers, especially their specialty products. Pure general line houses, however, must start from scratch, if they're inclined to specialize. But although carrying specialties is an advantage for the general liner, the change is no guarantee of added sales and profits, for even specialists are having a difficult time keeping their profits up.

The chances appear to be better for those able to stock and sell lines with higher profit margins than normal, and this can only be done if the distributor is located in an area where such products have a chance of succeeding. Among such products are those in an electrical/electronic high tech area. Distributors selling control products, products relating to automation, and MRO parts for robots, computers and other components in this category, should, at some time, be better able to capitalize on the higher profit margins offsetting some of the slower-moving products and products with the lower profit margins.

Some general line distributors who cannot find a market in their region which would justify carrying a full line of specialties, might consider offering specialty services, and selectively selling those rather than products.

The changing relationship

According to Herbert Davis, a distribution consultant (Herbert W. Davis and Co., Englewood Cliffs, NJ), the relationship between manufacturer and distributor is changing for a variety of reasons.

"For one," says Davis "the products are becoming more complex than they used to be and, increasingly, distributors have difficulty representing the product properly. The question becomes whether manufacturers are going to continue to deal with general liners or whether they will prefer to deal with fewer, more specialized distributors.

"Many manufacturers are becoming increasingly choosy about who they will deal with and are taking a much closer look at each individual distributor. I think the days of a manufacturer having thousands of distributors are over," Davis asserts.

Who needs the niche?

Steve M. Samek is a partner in charge of wholesale-distribution practice at Arthur Andersen & Co. He is also one of the author's of the new report, *Facing The Forces of Change: Beyond Future Trends in Wholesale Distribution*, prepared by Arthur Andersen for the National Assn. of Wholesaler-Distributors (NAW).

According to Samek, "There is a definite trend toward specialization in the smaller distributor base and to some degree that is fueled by the manufacturer who, although committed to the distribution pipeline, is looking at their channels and determining the profile of the distributor they want. More and more, vendors are looking for distributors who will spend significant time with their product line.

"As a result, the smaller distributor would like to be able to turn to a manufacturer and say 'I'm focusing most of my attention on your product line,' and that gives the manufacturer comfort that in the sales call that the distributor is making, he gets more *air time*. But there are some contradictory trends that you have to sort through to understand why specialists might be doing better," continues Samek.

As one example of a contradictory trend, he notes that the new NAW study scheduled to be published in July found that beginning about five years ago and projected to extend about 5-10 years into the future, distributors are in the process of broadening their product line and that trend is running counter to specialization. If anything, says Samek, the largest distributors are increasing their inventory so that they can get economy of scale. "When you do that," he reports, "you may lessen the shock of variations in demand for one product line because if one goes up and the other goes down, it's not going to hurt you as much."

Adds Samek: the theory: *The more I can carry, the higher my potential to sell to the customer when I'm making a sales call*, is being applied by larger distributors who are carrying larger lines and providing more value added services. For the panelists in our study we found that the bigger companies do not plan on specializing but the small ones are.

"What's happening is that the small or medium-sized distributor can't compete on that scale so that is where you're finding the specialist coming on real strong. And he is beginning to focus on some highly specialized niches and, in

[*continued on page 38*]

General liner vs specialist: each has its own advantages

Advantages: General line distribution
- One-stop shopping allows opportunities for tie-in sales.
- Product diversity cushions business during slump in an industry.
- New lines more easily built around emerging new opportunities.
- Less paperwork for customers via fewer orders and payments.

Advantages: Specialized distribution
- Emphasis on value added allows for higher profit margins.
- A smaller inventory allows more precise control, less cost.
- Extra "clout" with suppliers.
- Superior customer service, fewer backorders via depth of stock.
- Smaller, specialized inventory may generate more stock turns.
- Ability to precisely pinpoint and penetrate growing markets.

Must you specialize?

the process, becoming very creative."

In one of the more extreme examples of niche marketing, Samek cites a small number of distributors who specialize in selling only industrial tape and limit their inventory to tape produced by one manufacturer. "They buy big rolls of tape, cut it and slit it to the size that they want and they have chemical engineers on their staff who can go out and look at a specific application that you have in your plant and bring you adhesive technology better than anyone else. And even though these people are relatively small as distributors go, when you throw in the fact that they buy everything from one vendor they end up having great clout."

Squeezing the cost structure

"From one standpoint," Samek continues, "the specialist generally has higher margins because value added is more a part of his mix. He sells something unique rather than a commodity product but, in addition, the specialists do tend to be smaller companies that are run with less structure. The owner/operator is usually still a major part of the business so it tends to be more flexible and the companies have learned to squeeze the cost structure a little."

He contends that such *cost squeezing* combined with the fact that specialists tend to have more *pull* with vendors, allows them to buy at the same price levels as a large broad line distributor.

Samek notes that research in connection with the forthcoming DREF study indicated that 53% of distributors responding were currently dealing with between one-to-three sources for a given product and that the percentage is expected to rise to 69% by 1995. At the same time, Samek says that distributors purchase 60% of their products from 10% of their vendors and by 1995 expect the number to increase to 70%.

"The house of a million screws"

Service Supply Co. of Indianapolis, IN, however, dramatically contradicts the theory that only small distributors specialize. This fastener distributor, featured as a *Distributor Of The Century* by *ID* last December, has sales in the neighborhood of $55 million and an inventory of 77,000 separate items, easily justifying its widely touted motto of "The House Of A Million Screws.".

According to executive vice president Frank Owings, Jr., the company never considered any other possibility. "The historical principle of the company was based on selling industrial fasteners and we've pretty much stayed with that for the last 39 years. And we've always prided ourselves on being a quality screw house."

Owings confirms that among the advantages of specialization, in addition to the ability to obtain quantity discounts from manufacturers, is a heightened level of customer service since "Virtually everything we sell is sitting on a shelf ready to be delivered on very short notice."

Another distributor, Griffith-Raguse, a Pennsylvania abrasives distributor, became a specialist in 1966. According to Harry Griffith, the firm's president, the prime advantage of specialization is the ability to control inventory more carefully. Griffith notes that he is able to operate with a smaller inventory base and produce more turns annually than he was as a general liner.

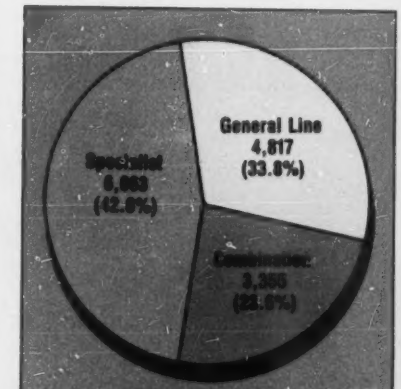
"There were numerous general line industrial distributors in the area a couple of decades ago that are no longer here," says Griffith, "but, on the other hand, I don't know too many specialists that have gone out of business."

"One thing goes with another"

A distributor in business for nearly 100 years, Sees & Faber-Berlin, Inc. of Philadelphia is firmly committed to general line distribution. "We may sell some items once every six months and others once a year but regardless of how slowly our inventory turns, our customers over the years have come to depend upon our having in stock whatever it is that they need. And if we don't sell them one thing, we can always sell them something else," says Ralph Berlin, president.

Berlin notes that there are three prime ways in which the distributor can generate volume business: 1. Through advertising ("expensive"), 2. Through outside sales reps ("expensive and sometimes not as productive as you would

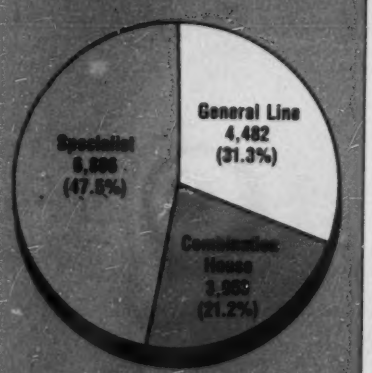
[*continued on page 40*]



The changing face of distribution

When the 1981-1982 *ID* census of industrial distributors was conducted **(see chart above)** there were a total of 14,235 distributors. Of this number, 4817 were general line houses, 6063 were specialists and 3355 were combination houses, representing 33.8%, 42.6% and 23.6% of the total respectively.

When the 1985-1986 *ID* census **(see chart below)** was completed, the total number of general liners, specialists and combination houses had increased slightly by 106 to 14,341. Of this total, the number of general liners dropped to 4482, a 9.3% decrease while the number of specialists had increased to 6806, an 8.9% increase. During this same period, the number of combination houses declined to 3053, a decrease of 9%.



Must you specialize?

like them to be"), 3. By virtue of the service you offer.

"Service we feel is the key," says Berlin, because it enables us to offer practically anything that the customer needs within a *reasonable* time." And it is in the area of giving the customer *practically anything he needs* that Berlin feels that general liners have a distinct advantage.

He illustrates his point as follows: "If a man buys cutting tools, he is obliged to measure the part to find out of if he has done the proper work. So we immediately have the potential for cutting tools and measuring tools. If he is doing metal removal work, he also needs cutting fluids, work holding devices such as precision vices, collets, tool holders, work holders, clamps, and fixture components.

"Only today," Berlin continues, "we serviced a customer who just bought a CNC machining center so that he can start up a metal working job shop. We sold him a wheelbarrow, brooms and trash pails. But we also sold him a complement of tooling for the machining center. And since the workholding devices on the machining center are air operated, we sold him an air compressor. And because he has to pipe the plant to distribute the compressed air, we furnished an isometric of the piping layout, cut the pipe to size, furnished the fittings, the valves, the quick couplers, the hoses and the regulators. And soon he's going to need a couple of drill presses and a small lathe and I know he's going to come back for them. As I've said repeatedly, one thing goes with another."

'If anything, large distributors are broadening their lines.' —Samek

Whatever a company's particular business, says Berlin, it will require "a great variety of items that we sell. *Variety* is the key to this business." He stresses that every company needs MRO, "And by-and-large you won't get MRO items from a specialty house. They just don't have them. You can't get a wrench, hammer, saw, electric drill, router, a ladder, or manilla rope and I could go on and on. The list is practically endless."

Berlin emphasizes that if one segment of industry is slow, there are generally other segments that may be reasonably busy. "If you are limited by virtue of being a specialty house," Berlin concludes, "you lose the opportunity to sell that man who happens to be busy. Whereas with the one who is slow, you're dead in the water.

I see the future of this business, not in limiting the scope of items that you offer but in expanding it."

To be or not to be (a specialist)?

"I'm not impressed that specialists' business figures read better than that of general line distributors," says Joel Levine, president, Power Industrial Supply, Rutherford, NJ, a general line distributor with a specialty in cutting tools and abrasives. "We carry over 32,000 items. How much does the average specialist carry? If a specialist carries 1000 items he can beat the socks off us in net profit and stock turns. Now we do carry a specialty in cutting tools and abrasives, but that's not a big deal. These are small items to stock and fit in very well with our general line products. As a matter of fact, any general line distributor of size should have a specialty in cutting tools and abrasives, that's how easy it is to carry."

Levine states that he is happy to be a general line distributor and wouldn't have it any other way.

"At some point in your business philosophy," says Levine, "you have to make a decision. Do you want to try to be the best in carrying a few product lines for specialized customers or do you want to try to serve a broad market with a multitude of products. We decided that our goal would be to fill a customer's needs with as many products as possible. Sure some products do very well and others sit on the shelf for a while but that's the way it is. Some general liners think they can do both, have a broad range of products and specialize. We don't think you can do both and do it well. You have to make up your mind."

'Any specialty implies a certain degree of expertise.' —Nelson

According to Mark Nelson, Apostle-Nelson, West Hartford, CT, a cutting tool specialist, any general line house that claims to have a specialty in cutting tools and abrasives should know more than just how to sort the items on the shelf. "Technical expertise," says Nelson, "goes hand in hand with the cutting tool specialty, because this is what adds the value to the product. We believe that in most cases, if our customer has a problem, we can go in there and provide more support than the factory guy can."

Nelson's business is the extreme opposite of a purely general line house. "You could call us a specialist in a specialty business," says Nelson, whose background as a sales engineer was gained with a manufacturer of solid carbide cutting tools. "If a general line distributor were to say to me, 'I want to be a cutting tool specialist,' I'd say fine but first do a marketing survey of what type of materials are being cut, what are the strengths and weaknesses of the market, and can you train the right personnel and acquire the expertise necessary to specialize and service that market. "I'm not advising or presuming when I give advice that every cutting tool specialist must specialize to the extent I have," he adds, "but I think any specialty implies a certain degree of expertise that should be developed if you want to lay claim to being a specialist."

In an industry as large and as complex as industrial distribution, there is ample room for such passionate diversity of opinion. In the final analysis, however, it will be the distributors' customers who will cast the final vote on whether specialists or generalists or some hybrid combination of the two will come to dominate the business. □